

## Message Text

CONFIDENTIAL

PAGE 01     BERLIN 06703 160847Z

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ACTION AGR-08

INFO OCT-01 EUR-12 ISO-00 EB-07 AID-05 AGRE-00 COME-00 L-03

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FM AMEMBASSY BERLIN

TO SECSTATE WASHDC 3261

C O N F I D E N T I A L 6703

E O 11652: GDS

TAGS: EAGR, ETRD, GE

SUBJ: GDR INTEREST IN GRAIN AGREEMENT

REF: STATE 217325

SUMMARY: IN TWO MEETINGS WITH DR. BEIL IN THREE DAYS, I GAVE HIM THE US RESPONSE TO THE GDR'S EXPRESSION OF INTEREST IN A GRAIN AGREEMENT, AND RECEIVED THE GDR REPLY. BEIL WISHES TO PROCEED IMMEDIATELY WITH TALKS AS PROPOSED BY THE US. END SUMMARY.

1. I CALLED ON FOREIGN TRADE STATE SECRETARY BEIL ON SEPTEMBER 13. I BEGAN BY SAYING I HAD COME PREPARED TO GIVE HIM THE DEPARTMENT'S RESPONSE TO THE INTEREST EXPRESSED BY THE GDR IN GRAIN IMPORTS FROM THE UNITED STATES, AND IN WORKING OUT PROCEDURES FOR THEIR REGULARIZATION. I CONTINUED WITH THE FOLLOWING POINTS, WHICH I READ. I DID NOT GIVE DR. BEIL A COPY OF THE PAPER FROM WHICH I READ, BUT HIS INTERPRETER FOLLOWED MY STATEMENT CLOSELY, PRESUMABLY TAKING CAREFUL NOTES:

- THE UNITED STATES WELCOMES THE GDR INTEREST IN GRAIN IMPORTS FROM THE US AND IS READY TO FACILITATE SUCH IMPORTS IN EVERY PRACTICAL WAY.

- THE US IS READY TO RECEIVE GDR GRAIN EXPERTS AT A MUTUALLY CONVENIENT TIME FOR CONSULTATIONS.

- THE US CONSIDERS THE LEVELS OF GRAIN IMPORTS INDICATED BY DR.  
CONFIDENTIAL

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PAGE 02     BERLIN 06703 160847Z

BEIL ARE REALISTIC, AND COULD BE DISCUSSED IN SPECIFIC TERMS AT

THIS FIRST MEETING.

- IF THE GDR AGREES TO THE PROPOSED MEETING THE US WOULD USE THE OCCASION TO INFORM THE GDR ABOUT US SUPPLY CONDITIONS AND FUTURE OUTLOOK, AND WOULD ASK GDR FOR INDICATIONS OF IMPORT NEEDS. SIMILAR DISCUSSIONS MIGHT BE HELD SEMIANNUALLY OR AT THE REQUEST OF EITHER PARTY.

- THE US SEES NO NEED OF A WRITTEN UNDERSTANDING, AS THE DEPT CONSIDERS THE ORAL EXPRESSION OF THE GDR AND THE USDA TO ENTER SUCH CONSULTATIONS AS AFFIRMATIVE.

- IF THE GDR EXPRESSES INTEREST AND APPROVAL OF THIS US PROPOSAL, THIS EMBASSY SHOULD BE INFORMED, AND WE WILL ADVISE THE DEPARTMENT OF STATE AND THE UNITED STATES DEPARTMENT OF AGRICULTURE, REQUESTING INFORMATION REGARDING A DATE FOR SUCH A MEETING.

2. DR. BEIL REPLIED WITH THANKS FOR MY PRESENTATION, SAYING THAT HE WOULD COMMUNICATE THE US POSITION TO INTERESTED GDR AUTHORITIES; AND THAT HE EXPECTED TO HAVE A RESPONSE VERY SHORTLY.

3. ON THE DAY FOLLOWING MY MEETING, THE MINISTRY OF FOREIGN TRADE TELEPHONED TO ASK ME TO SEE DR. BEIL AGAIN. I AGREED TO DO SO; AND CALLED ON DR. BEIL SEPTEMBER 15. OPENING THE CONVERSATION, HE SAID HE WISHED TO REPLY IN THE SAME FASHION AS I HAD MADE MY PRESENTATION, I.E. BY READING A STATEMENT. DR. BEIL THEN READ A STATEMENT OF FIVE POINTS AS FOLLOWS:

- THE GOVERNMENT OF THE GDR HAS NOTED WITH INTEREST THE US RESPONSE PRESENTED BY THE AMBASSADOR.

- THE GDR WELCOMES THE READINESS OF THE US GOVERNMENT TO RECEIVE GDR EXPERTS TO DISCUSS LONG-TERM GRAIN DELIVERIES.

- APPROPRIATE GDR AUTHORITIES WILL SHORTLY APPOINT AND EMPOWER GDR EXPERT REPRESENTATIVES TO HOLD SUCH DISCUSSIONS WITH APPROPRIATE AUTHORITIES OF THE US.

- THE GDR REQUESTS THAT THE UNITED STATES MAKE A PROPOSAL ON POSSIBLE DATES ON WHICH THESE NEGOTIATIONS MIGHT START.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03     BERLIN 06703 160847Z

- THE GDR REQUESTS THAT WHEN THE EMBASSY RECEIVES INFORMATION ON A PROPOSED DATE FOR THESE NEGOTIATIONS, THAT IT BE TRANSMITTED TO DR. BEIL.

5. AFTER READING HIS STATEMENT, BEIL NOTED THAT HIS FORMAL RESPONSE DID NOT COMMENT ON THE US POINT THAT ORAL UNDERTAKINGS ARE SUFFICIENT, SAYING THAT HE WISHED THEREBY TO SUGGEST THAT THE QUESTION OF THE LACK OF A

WRITTEN AGREEMENT DOES NOT CREATE ANY DIFFICULTY FOR THE GDR. IN A BANTERING TONE, BEIL ADDED THAT ONE COULD INTERPRET THE US VIEW (ON THE LACK OF NEED OF A WRITTEN AGREEMENT) IN ONE OF TWO WAYS. EITHER THE US REGARDED THE GDR AS SO RELIABLE THAT NO WRITTEN AGREEMENT IS NECESSARY, OR THAT THE TIME IS NOT YET RIPE FOR WRITTEN AGREEMENTS WITH THE GDR. AS AN OPTIMIST, BEIL SAID, HE FAVORED THE FORMER EXPLANATION.

6. I THANKED DR. BEIL FOR THE REPLY AND TOLD HIM THE EMBASSY WOULD COMMUNICATE IT TO WASHINGTON IMMEDIATELY.COOPER

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